

REPORT

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

JUNE 30, 2013

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

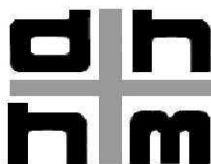
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## INDEPENDENT AUDITOR'S REPORT

November 13, 2013

To the Board of Directors of  
St. Bernard Parish Juvenile Drug Court, Inc.  
Chalmette, Louisiana

We have audited the accompanying financial statements of St. Bernard Parish Juvenile Drug Court, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Bernard Parish Juvenile Drug Court, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

ASSETS

Cash and cash equivalents	\$ 1,434
Grants receivable	<u>9,498</u>
 TOTAL ASSETS	 <u><u>\$ 10,932</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 4,031
Due to St. Bernard Parish Adult Drug Court, Inc.	12,260
Due to St. Bernard Parish Pre-Trial Drug Testing	183
Payroll liabilities	<u>1,740</u>
Total liabilities	<u>18,214</u>

NET ASSETS:

Unrestricted	<u>(7,282)</u>
Total net assets	<u>(7,282)</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,932</u></u>
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See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total Net Assets</u>
<b>SUPPORT AND REVENUES</b>			
Grant revenue	\$ 115,028	\$ -	\$ 115,028
Interest	1	-	1
Net assets released from restriction	<u>28</u>	<u>(28)</u>	<u>-</u>
Total support and revenues	<u>115,057</u>	<u>(28)</u>	<u>115,029</u>
 <b>EXPENSES</b>			
Program Services - Drug Court	101,323	-	101,323
General and Administrative	<u>13,949</u>	<u>-</u>	<u>13,949</u>
Total expense	<u>115,272</u>	<u>-</u>	<u>115,272</u>
 Change in net assets	<u>(215)</u>	<u>(28)</u>	<u>(243)</u>
 Net assets at beginning of year	<u>(7,067)</u>	<u>28</u>	<u>(7,039)</u>
 Net assets at end of year	<u><u>\$ (7,282)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,282)</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (243)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) decrease in grants receivable	963
Increase (decrease) in accounts payable and accrued liabilities	(1,065)
Increase (decrease) in payroll liabilities	112
Net cash used by operating activities	<u>(233)</u>

NET CHANGE IN CASH (233)

CASH AT BEGINNING OF YEAR 1,667

CASH AT END OF YEAR \$ 1,434

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

DESCRIPTION OF OPERATIONS:

St. Bernard Parish Juvenile Drug Court, Inc. (JDC) is a non-profit entity established to provide an alternative to the singularly directed traditional criminal justice case management system of pursuing only punitive based sanctions in response to drug addiction of incarceration and its resultant increased costs in public resources to little or no avail in addressing, diminishing, or reducing criminal activity related to drug addition and its consequences. This program includes the administration of the St. Bernard Parish Juvenile Drug Court, which is a part of the 34th Judicial District Court. At the present time, the JDC consists of two full-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting and Presentation:

The financial statements have been prepared on an accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when they are incurred.

Support and Revenue:

As the State of Louisiana is the JDC's only source of revenue, all grant receivables are expected to be fully collectible. Therefore, no provision for uncollectible grant income has been recognized in the accompanying financial statements. A significant reduction in the level of support provided by the State of Louisiana could have a significant impact on the JDC's activities.

Cash:

Cash includes demand deposits.

Income Taxes:

The JDC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. However, should the JDC engage in activities unrelated to its exempt purpose, taxable income could result.



ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows:

For the purposes of the statement of cash flows, all investments with a maturity of 90 days or less from the date of purchase are considered to be cash equivalents.

Financial Statement Presentation:

The JDC follows FASB Accounting Standards Codification (ASC) 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the JDC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted assets.

Contributions:

The JDC records its public support in accordance with FASB ASC 958-605, *Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

All contributions are considered to be unrestricted and available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the JDC reports the support as unrestricted.

2. CASH:

Cash at June 30, 2013 consisted of the following:

Interest bearing demand deposits	\$ <u>1,434</u>
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ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

3. RECEIVABLES:

Receivables include grants receivable from the State of Louisiana in the amount of \$9,498 as of June 30, 2013.

4. UNCERTAINTY IN INCOME TAXES:

The JDC elected to adopt the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The JDC files information returns in the U.S. federal jurisdiction. The JDC is no longer subject to U.S. federal examinations for years before 2009 and, currently, there are no returns under examination. The JDC has taken no tax positions that it considers to be an uncertain tax position.

5. RELATED PARTY TRANSACTIONS:

As of June 30, 2013, the JDC owes \$12,260 to the St. Bernard Adult Drug Court, Inc. (ADC) and \$183 to St. Bernard Parish Pre-Trial Drug Testing Program (PTDT). The ADC and PTDT make interest free loans to the JDC for general operating expenses. The JDC then reimburses the ADC and PTDT as funding is received. The ADC and JDC share common control as both entities' board of directors are made up of the Judges of the 34<sup>th</sup> Judicial District Court.

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of contributions received for incentives and rewards for program participants and transportation cost for program participants. The JDC incurred \$28 in incentive and reward cost for participants. The balance in temporarily restricted net assets as of June 30, 2013 was \$-0-.

7. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets totaling \$28 for incentives and rewards were released from temporary donor restrictions during the year ended June 30, 2013 by incurring expenses satisfying the restricted purpose.

8. DATE OF MANAGEMENT'S REVIEW:

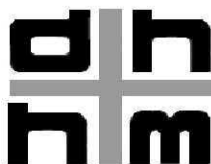
Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 13, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Payroll and related benefits	\$ 59,071	\$ 5,487	\$ 64,558
Accounting and auditing	-	8,450	8,450
Transportation costs	64	-	64
Incentives and rewards	197	-	197
Membership, dues and subscriptions	1,725	-	1,725
Bank service charges	-	12	12
Office expense	55	-	55
Testing and laboratory	2,711	-	2,711
Treatment expense	<u>37,500</u>	<u>-</u>	<u>37,500</u>
	<u>\$ 101,323</u>	<u>\$ 13,949</u>	<u>\$ 115,272</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 13, 2013

The Honorable Manuel Fernandez, Drug Court Judge  
and Honorable Judges  
St. Bernard Parish Juvenile Drug Court, Inc.  
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Bernard Parish Juvenile Drug Court, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Bernard Parish Juvenile Drug Court, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Bernard Parish Juvenile Drug Court, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Bernard Parish Juvenile Drug Court, Inc.'s internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Bernard Parish Juvenile Drug Court, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Parish Juvenile Drug Court, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

Internal Control Over Financial Reporting:

Material Weaknesses: None noted.

Significant deficiencies: None noted.

Noncompliance material to financial statements: None noted.

Summary of Prior Year Findings:

None noted.